

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** July 7, 2003

**SUBJECT:** Fiscal Impact Statement: "Career Service, Legal Service, Excepted Service, and Management Supervisory Service Non-Union Employees Compensation System Changes Approval Resolution of 2003"

**REFERENCE:** Draft Resolution as Introduced

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**Conclusion**

Funds are sufficient in the FY 2003 budget and the proposed FY 2004 through FY 2007 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia because no additional resources are required to implement this resolution.

**Background**

The proposed resolution would result in a new compensation system change for Career Service, Legal Service, Excepted Service, and Management Supervisory Service non-union employees. Career Service, Legal Service, Excepted Service, and Management Supervisory Service employees represent 5,825 of the District's non-union wage grade, professional and career service FTEs. The net impact of the new system compresses the period of time to earn in-grade, periodic step increases. An 18 year duration to earn steps 1 through 10 will now only require 14 years, the comparable progression time period prevailing in large jurisdictions in the Washington D.C. Standard Metropolitan Statistical Area (SMSA).

The proposed resolution will approve a new step 6 for wage service pay schedules. This resolution will also approve a one-time, non-recurring payment equivalent to 3 percent of an employee's rate of basic pay for persons who are at or below DS Grade 14, are already

at the maximum step of 10, and would not otherwise benefit from other provisions of the proposed resolution.

### **Financial Plan Impact**

Funds are sufficient in the FY 2003 budget and the consensus FY 2004 through FY 2007 budget and financial plan. The budget includes the funding necessary to offset the personal services costs due to the provisions of the proposed resolution. In addition, the FY 2004 budget includes \$1.13 million within the overall \$22.3 million in Workforce Investments to fund the planned increases. No additional resources will be required to implement the components of the proposed spending plan. The table in figure 1 presents the estimated costs associated with the system changes.

*Figure 1.*

<b>Expenditure Impact to the Financial Plan</b>					
(\$ in 000s)					
<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>TOTAL</b>
\$0.55	\$1.13	\$1.88	\$1.95	\$2.00	<b>\$7.51</b>

*The Chief Financial Officer's legislative fiscal analysis is prepared by the Special Projects and Fiscal Analysis Administration in the Office of Research and Analysis. Contact us at 441 4<sup>th</sup> Street, NW, Suite 400S, Washington D.C., 20001 or view our work on-line at <http://cfo.dc.gov>.*